

BEFORE THE IDAHO BOARD OF TAX APPEALS

IN THE MATTER OF THE APPEAL OF WILLIAM M.	)	APPEAL NO. 06-A-2514
TODD from the decision of the Board of Equalization of	)	FINAL DECISION
Kootenai County for tax year 2006.	)	AND ORDER

**RESIDENTIAL PROPERTY APPEAL**

THIS MATTER came on for hearing December 14, 2006 , in Coeur d'Alene, Idaho, before Board Member Vernon L. Driver. Board Members Lyle R. Cobbs and David E. Kinghorn participated in this decision. Appellant William Todd appeared at hearing. Residential Appraisal Manager Darin Krier and Appraiser Gary Logsdon appeared for Respondent Kootenai County. This appeal is taken from a decision of the Kootenai County Board of Equalization denying the protest of the valuation for taxing purposes of property described as Parcel No. H93000010150.

**The issue on appeal is the market value of residential property.**

**The decision of the Kootenai County Board of Equalization is modified.**

FINDINGS OF FACT

The assessed land value is \$105,535, and the improvements' valuation is \$137,194, totaling \$242,729. Appellant requests the total value be reduced to \$193,155.

The subject property is a .285 acre lot with a 1,458 square foot residence built in 1994, and purchased by Appellant in 2002. Subject is located in Woodland Meadows subdivision in Hayden, Idaho. The residence has a construction grade of "fair +" and is considered in "fair" condition.

Appellant claimed subject was a "black sheep" and unfairly assessed compared to other properties in the subdivision. Appellant detailed two 2005 improved sales from subject's neighborhood, and compared the sale price per square foot to subject's assessed value per square foot. The improvements were somewhat similar in size to subject, but had more amenities and were in better condition than subject, thus, argued to be superior. Appellant

calculated an average price per square foot of \$132.48 for the two properties and then applied that rate to subject to arrive at the proposed value.

Respondent explained that subject's area was last re-appraised for the 2001 tax year, and to maintain current market values each year, positive trends were annually applied. The County also mentioned that per Idaho Code, market value must be reflected annually either by re-appraisal or indexing (trending) of prior year values. It was noted subject's trending was uniformly applied to all area properties.

Respondent provided 18, 2005 sales from subject's subdivision and detailed three. The sales were nearly identical in lot size, however varied from subject in age, improvement amenities, and overall condition. A time adjustment of 2% per month was used to bring older sale prices to current with the January 1 assessment date. Respondent did acknowledge that subject's interior was never fully completed, which was the reason it was considered "fair" condition.

### CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of fair market value. This Board, giving full opportunity for all arguments and having considered all testimony and documentary evidence submitted by the parties in support of their respective positions, hereby enters the following.

Idaho is a market value state for the purpose of property taxation, as defined in Idaho Code § 63-201(10):

"Market value" means the amount of United States dollars or equivalent for which, in all probability, a property would exchange hands between a willing seller, under no compulsion to sell, and an informed, capable buyer, with a reasonable time allowed to consummate the sale, substantiated by a reasonable down or full

cash payment.

Appellant's primary point of contention was subject's dramatic value increase over the prior year. Idaho Code §§ 63-205(1) and 63-314 require real property be assessed at current market value each year, however, the Code does not limit the amount of possible value increase or decrease in a given year.

Respondent thoroughly detailed the indexing methodology and data used to assess property in subject's area. The evidence illustrated compliance with Idaho's market value and uniform assessment standards.

Of the 18 sales presented, subject was considered to be in the poorest condition. The three sales argued by Respondent to be most comparable to subject were newer and in better condition. Both parties agree that subject is inferior, yet it does not appear this fact was duly considered in the assessment. It is an important value factor and should be fully reflected in the assessment. In the absence of precise or persuasive evidence from the parties, the Board is left with the task of determining subject's value using superior property sales.

We rely on the two most recent sales of the five presented by both parties, the properties sold in November and December of 2005 for \$144.95 and \$147.65 per square foot respectively. Both are larger than subject, but so were most or all available sale comparables. These two having the smallest timeliness consideration make these the best comparables in our judgment, plus they provide a relatively tight value pattern. Subject is smaller, but adjusting also for subject's inferior condition and appeal, we find \$145 per square foot most indicative of subject's total market value.

The Board finds \$211,410 to be a fair and reasonable 2006 assessment for subject. The record established that all lots in the subdivision were valued equally, and therefore adjustment

of subject's land value is not warranted. The decision of the Board of Equalization of Kootenai County is modified accordingly.

#### FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Kootenai County Board of Equalization concerning the subject parcel be, and the same hereby is, modified to lower the improvements' value to \$105,875 and subject's total value to \$211,410.

IT IS FURTHER ORDERED that any taxes which have been paid in excess of those determined to have been due be refunded or applied against other *ad valorem* taxes due from Appellant.

DATED this 1<sup>st</sup> day of May 2007.